

Cost Saving Initiatives By Medicaid

	Savings	
	Annual State Funds	Annual Total Funds
Competitively Bidding Services		
(a) Competitively bidding non-emergency transportation services has produced significant saving over fee-for-service arrangements with any willing provider.	\$114,400	\$400,000
(b) Competitively bidding oxygen concentrators continues to produce substantial savings.	\$572,000	\$2,000,000

Disease Management of Hemophilia

The University of Utah manages Medicaid's Hemophilia program, and through that program, HCF is able to access deep discounts in the purchase of drug factor.	\$100,100	\$350,000
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Pharmacy Savings

(a) The Medicaid program has a pharmacy point-of-sales system. This is a real-time computer system that makes payments in an efficient manner while at the same time checking for multiple adverse drug events for all prescriptions. This innovation helps avoid unnecessary hospital stays by enhancing quality services.	\$1,172,600	\$4,100,000
(b) Utah has developed a Maximum Allowable Cost (MAC) program. This program will only allow a set payment for select drugs as determined by a computer algorithm. This ensures lower drug costs.	\$4,004,000	\$14,000,000
(c) Utah has developed a generic substitution program for brand-name drugs.	\$3,146,000	\$11,000,000
(d) Utah only allows a set number of doses in a thirty-day period for a select group of drugs. This prevents over utilization.	\$120,120	\$420,000
(e) The University of Utah provides a drug utilization review oversight function, including peer to peer consultation for clients that are high-end users.	\$1,086,800	\$3,800,000
(f) The Drug Utilization Review board is a federally and state mandated panel of community medical professionals that advises the Division on pharmaceutical related issues.	\$657,800	\$2,300,000
(g) The pharmacy co-payment program.	\$1,601,600	\$5,600,000

Utah Behavioral Pharmacy Management Program

The Behavioral Pharmacy management program is a collaborative effort with Comprehensive Neurosciences Inc. to identify prescribers of atypical antipsychotics who are 'outliers' meaning they hit specific indicators such as prescribing multiple drugs. The effort is focused on providing educational materials on best practices and, when indicated, peer consultations.	\$3,432,000	\$12,000,000
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Managed Care Plan Quality Improvement Projects

Each managed care plan must, under federal rules, engage in quality improvement projects. This year's initiative is to improve coordination of care between the mental health and physical health plans both plan-to-plan and provider-to-provider. Better coordination reduces duplications and potential conflict within the plans of care and results in better outcomes.

Co-payments and Coinsurance

Medicaid has co-payments for: inpatient hospital stays, doctor visits, selected outpatient hospital services, podiatry services, chiropractic visits, and non-emergency use of emergency rooms.	\$724,300	\$2,532,500
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Independent Reviews of Expensive Electric Wheelchair Purchases

all wheelchairs and components for wheelchairs are medically necessary, or if there is a less costly alternative. The Division has realized significant savings through this independently contracted review.	\$28,600	\$100,000
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Transportation and Drug Treatment Compliance		
In a drug treatment program, drug dependent individuals were provided with transportation to the treatment facility. When transportation was coupled with their drug rehabilitation compliance, costs were reduced.	\$114,400	\$400,000
Selected Contracting		
This measure entails contracting with organizations which are able to negotiate discounts for hospital services. A Medicaid Managed Care provider has negotiated an agreement with a hospital group for approximately a 30% discount from Medicaid rates. These savings are reflected in the amounts Medicaid reimburses the plans.		
Clinical Claims Editor (CCE)	\$286,000	\$1,000,000
The CCE reviews claims prior to payment. Within the editor are various checks to insure proper payments. For example, if a physician bills certain procedures, but those procedures are not applicable to the client's diagnosis, the claim is suspended for manual review. The CCE also supports the Correct Coding Initiate.		
Data Warehouse		
Medicaid has developed a Data Warehouse. This analytical tool allows the division to stratify data in several ways. It also furnishes program data which assists in program management. Management includes data used for effective utilization control.	Figure not Available	
PCN Educational Efforts		
Educational efforts are focused on PCN Clients that have been on Medicaid for at least 1 year.		
Medicaid is finding that many of these clients are unaware of the basic benefits and other resources within the community for low cost or free services, such as donated dental, etc.	Figure not Available	
Third Party Liability (TPL) Data Matching		
TPL data is matched to ensure that Medicaid is the payer of last resort. The data is also matched to determine the best possible fit to an HMO so as to maximize state dollars.	\$128,700	\$450,000
Valley Mental Health Client Education		
When individuals use Valley Mental Health as their entry point to Medicaid, Valley staff educates and informs them of Medicaid benefits and appropriate use of services, i.e., to reduce inappropriate utilization of emergency rooms.	Figure not Available	
Prior Authorization		
Prior authorization allows payment for services, drugs, equipment, or supplies that are high cost, high volume, prone to abuse, subject to over use or restricted by federal or state law. This is a effective tool in utilization control.	\$3,632,200	\$12,700,000
Post Payment Review		
Post payment review identifies situations in which Medicaid has been billed and paid for services which are either not payable under current policy, or which the medical record does not support the amount or type of service billed. These activities return approximately \$5 for every dollar spent on the activity.	\$457,600	\$1,600,000
Fraud and Abuse Detection and Investigation		
If there is evidence of fraud (intentional deception or misrepresentation) the situation must be referred to the Medicaid Fraud Unit of the Attorney General's Office for criminal investigation and resolution.	\$572,000	\$2,000,000
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Outlier Review		
When hospital stays exceed the length allowed under the prospective payment system methodology, a hospital may qualify for an "outlier" payment. This is an additional payment made to cover the additional cost of serving the patient. Outliers were formally paid based on the additional days of care, but are now paid on a percent of the additional costs after a threshold is reached.	\$28,600	\$100,000
Thirty Day No Readmit Policy		
The Division has implemented a policy that no inpatient claims will be paid if a new hospital admission is made within thirty days of a prior admittance for the same diagnosis.	Figure not Available	
Administrative Hearing Support		
Under federal regulation, whenever a service is denied under Medicaid, the individual or organization denied has the right to request an administrative hearing. The Program Integrity staff has been tasked to represent the Medicaid program when these denials are due to prior authorization denial, post payment review, or challenge to existing fee for service policy.	Figure not Available	
Efficiency In Disability Determinations		
In the past year the number of disability requests has increased almost a third. To deal with this increase, a disability coordinator was hired. The coordinator has improved the timeliness and quality of the disability determinations. The coordinator works directly with the client to insure the most up-to-date medical information is used in the disability determination. The coordinator position saves time for the eligibility worker and the disability examiner.	\$50,000	\$100,000
Increased Volunteer Support		
The use of volunteers in both the clinics and the eligibility process has resulted in administrative savings and better service for our customers.	\$1,500,000	\$1,500,000
Medicaid Receiving Funds From Other Organization		
Funds from other organization pay the state match (seeding) for some eligibility workers. As a result, substantial administrative dollars are saved .	\$500,000	\$1,000,000
Telecommuting		
Selected eligibility staff telecommute. This saves thousands of dollars annually in administrative dollars.	\$75,000	\$150,000
Improved Purchasing Techniques		
The clinics use Globis Relief to purchase medical supplies at reduced rates. The Family Dental Plan clinics receive substantial savings on top of state contract prices from their dental supply vendor. We also receive donated supplies.	\$20,000	\$20,000
Free Rent		
The Division has been able to negotiate free-rent for several outreach locations.	\$50,000	\$100,000
TOTAL ACTUAL AND OR ESTIMATED SAVINGS	<u>\$24,174,820</u>	<u>\$79,722,500</u>